

Clean Water and Flood Abatement Task Force

**Tuesday, July 28, 2015
10:00a.m. – 12:00p.m.
Buena Vista**

Meeting Attendance

Task Force Members:

Present:

Senator Bryan Townsend
Representative Michael Mulrooney
Senator Bryant Richardson
Representative Ronald Gray
Secretary Jennifer Cohan
Secretary David Small
Holly Porter
Thom May
Patty Cannon
Jeffrey Bross
Harold Godwin
Fred Beaufait
Brenna Goggin
Roy Miller
Jen Adkins
Robert Baldwin
Christine Mason
Gerard Esposito
Paul Morrill
Dian Taylor
Joseph Corrado
William Lucks
Michael Riemann
Thomas Unruh
Bruce Jones
Sam Lathem

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Absent:

Gerald Kaufman
Howard Morrison
New Castle County Executive
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Staff:

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Public:**Attendees:**

Jim Bailey
 Lisa Jones
 Amy Parker
 Tim Ratsep
 Frank Piorko
 Terry Deputy
 Andrew Homsey
 Martha Narvaez
 Scarlett Hutton
 Rickie Jones

Organization:

Alliance of Bay Communities
 Alliance of Bay Communities
 ABC
 DNREC
 DNREC
 DNREC
 UD-WRA
 UD-WRA
 N/A
 The Nature Conservancy

The Task Force meeting was brought to order at 10:06 am.

Introductions

Senator Bryan Townsend, co-chair, introduced himself and Representative Michael Mulrooney, co-chair. With this being such a large group he suggested not doing specific introductions of every member, given that with the various ways these groups interact with each other most task force members already know each other. The Senator noted that this was not his first Task Force, as he had co-chaired two others. This Task Force is, however, the largest he has seen. Being so, it is not lost on him and Representative Mulrooney as to the administrative difficulties that will be involved. So, he thanked the members for their patience and apologized for any blunders, as they will be entirely his fault and maybe Representative Mulrooney's too (who stated they assuredly would be mostly Bryan's fault). Senator Townsend introduced and informed the members they would be hearing from his Legislative Assistant, Michelle Zdeb, who is also experienced with Task Forces in regards to logistics and Task Force materials. If Task Force members have any questions, please feel free to contact her. He then turned the floor over to Representative Mulrooney.

Representative Mulrooney thanked everyone for coming out. The issue of clean water is just as important if not more important than highways. Society absolutely must have clean water. He stated water issues were not just a New Castle issue, or a Kent issue, or Sussex, but that there are problems up and down the State, and consequently it is a State issue. It is too important to ignore, and we are depending on the expertise in this room. We have the Bond Bill process every year, and we are putting money out there but more money needs to be involved. Hopefully a new approach can help with job growth. Representative Mulrooney is looking forward to the work the group will do and to seeing the outcome with legislation or a good report. We have a lot to do but he is confident we will get it done.

Senator Townsend asked if there were any representatives present who were appointed by the New Castle County Executive or Kent County Administrator. Seeing no response, Senator Townsend thanked the other 28 representatives who had responded with appointees' names on such short notice. He then informed them that the website link that was already circulated provides the members' names and representation information, but that Ms. Zdeb also would circulate the members' information for all Task Force members to have.

Senator Richardson acknowledged some of his district areas from Nanticoke River and Broad Creek. We still have real estate next to those and an opportunity for development, so he's looking forward to what we can learn here.

Representative Gray noted that his district includes Inland Bay areas. They recently had intersection flooding at Routes 1 and 54 in Fenwick Island. Within an hour the intersection was flooded. Water is an issue, and he noted he is also an engineer. Delaware is really flat below the C&D Canal. This needs to be addressed, and he is looking forward to seeing the good solutions we can come up with.

Senator Townsend wanted to follow up on Representative Mulrooney's comments. He would love to see us come together in the "Delaware Way" he has long heard about but which hasn't always been true to form, especially the 2 years he's been in the Senate (Representative Mulrooney agreed). The Senator wants to see them get there, but informed the group, if we cannot get there because it will be 2016 and an election year, and heaven forbid we address big issues in an election year, he would hope that the Task Force report could be a model for anyone in Delaware from any perspective—health, infrastructure, etc.—to see the data, what we know exists, and develop solutions, A to Z, as the Senator hopes the report to be that inclusive. He is optimistic that as legislators and stakeholders around the table we can push the General Assembly to act.

Background of Senate Concurrent Resolution 30

Senator Townsend stated the Task Force was formed from the passage of Senate Concurrent Resolution No. 30. This was building on the attention brought to the important issue of water quality as well as flooding in Delaware by Governor Markell's announcements in 2014. Unfortunately, this topic, like many other major items, did not gain much traction in the General Assembly, notwithstanding the fact that this is a critically important economic, environmental, health, and infrastructure issue. We thought it would be productive to get so many people with various perspectives and expertise in the area in the same room, to figure out a way to bring more attention to the issue and develop solutions.

Representative Mulrooney agreed this is a large Task Force. He discussed the Governor's 2014 proposal and the 2015 draft bill, which the Delaware Nature Society assisted in developing. The co-chairs had not seen much traction develop from the draft, so they put it on the backburner. He encouraged everyone take time to read it and see where tweaks can be made. The Representative stated we want to have a good report to bring back to the General Assembly, knowing that this is going to be a financial hurdle. He requested Ms. Zdeb share the draft with Task Force members.

Review of Task Force Timetable

Senator Townsend informed the group that there will be several Task Force meetings, and the co-chairs understand there are many people's schedules to consider. They will try to be flexible in their meeting locations between Buena Vista, Legislative Hall, and a location yet to be determined in Sussex County. The Senator invited those interested to participate in a Task Force field trip later in the Task Force schedule. He understands that some people are on-site every day, as that is the nature of their job. For others it is not, and field trips could be very helpful as members of the Task Force to see what their colleagues are going through as well the public who

are living with these unfortunate water situations. Senator Townsend noted that being onsite is important to show Delawareans how much we care and how serious we are taking this issue. He also informed the Task Force members that there will be presentations moving forward as well as Task Force group discussions and time for Public Comment at each meeting. The Senator further noted to the members and public that the Final Report is due on January 31, 2016.

Senator Townsend wanted to point out specific details included in SCR 30: the Task Force shall meet at least once in every County, as this is a State issue, and meet at least once a month, though some months could involve more than one meeting. The co-chairs will respect holiday schedules in November and December. Most likely we will meet in early January to review a draft final report, with a final authorization meeting in late January. The Task Force link will be updated regularly, and Ms. Zdeb will circulate proposed dates and locations.

Overview of Issues/Open Discussion by Task Force

Senator Townsend invited the Task Force members to begin speaking about broader issues. Seeing no hands in the air, he specifically asked who is the boldest member of the Task Force. Representative Mulrooney raised his hand, and Senator Townsend assured everyone that he and Representative Mulrooney had not scripted this.

Representative Mulrooney stated what got him interested in the issue was concerns in his district. Ten years ago Artesian had to shut some wells down and put a new filter system in, at a significant cost. Last year Artesian and the City of New Castle had to shut a well down. He does not know the cost for Artesian but knows that the cost for the City of New Castle was in the range of \$500,000 to \$1 million, which is a lot for a small city. The Representative can only imagine what is happening in other parts of the State. The pollution issue is always pushing blame but realistically it's an issue that does shift. We have Oxy Chemical Corp and New Castle Air Base, which involves pollution that has been traveling for around 50 years and is creeping into our water. He can only imagine what's happening in the City of Wilmington, with its combined overflow system. He was talking with Senator Townsend and they discussed the landfill near Wilmington. We have some major issues here, and the people who have it in their backyards understand it. If these issues are happening in Representative Mulrooney's district, they're certainly happening in others.

Jeffery Bross, Water Infrastructure Advisory Council, noted water issues are very broad. Examples include: Storm Water, Drinking Water, Flooding, Water Quality, Conservation, and Waste Water. All of these components together make up Delaware's water and our quality of life. He felt as a group, the WIAC has taken a few steps back recently. The General Assembly had a lot of vision in creating the 21st Century Fund, which provided grants for storm water and flooding. A lot of good work occurred because of that. Now we are facing declining revenue sources not only from the federal level but also for our water revolving funds.

Mr. Bross also thanked the legislators present for the General Assembly giving them their \$1.4 million dollar match, which will allow WIAC to make other monies available as grant funds. To have these programs be effective we need a combination of grant money, money that can actually be used with stimulus to create money to be borrowed and also fund projects directly. This area needs grants and dedicated sources of funding. 21st Century funds are almost exhausted. There are a lot of broad challenges in front of us to provide water quality. There has

been a lot of good work done by the folks at DNREC and WIAC and we need to focus on what the real costs are and what the real needs are.

Joseph Corrado, Delaware Contractors Association, wanted to follow up on what Mr. Bross said. We had had three or four workshops to identify what the needs are for waste water, drinking water and surface water. Now we are approaching \$1 billion in infrastructure needs for that kind of quality structure. What WIAC is getting from the federal level is \$6-7 million, and WIAC has to put out loans rather than grants. This is the only revenue source, since the 21st Century Funds have dried up. When we had 21st Century funds WIAC could fund projects that on its own would not get funded. When Jerry Esposito (a member on the Task Force) was head of the department we took several field trips, to places that you would not think exist in Delaware. At the time we could fund those projects with a mixture of grants and loan, but we don't have that same ability today. Former DNREC Secretary O'Mara and current Secretary Small were working on a proposal in 2013. This group needs to have an influence on the legislature and administration in 2016. The needs are there and the needs keep growing, but the money isn't there. It's nice the legislature is working on social issues, but we need to help the quality of life and quality of water. Mr. Corrado noted you could hear the frustration in his voice, because he and others have lived it and worked it. This group needs to have an influence on legislators regardless of whether it is an election year, or not. It is time to act.

Senator Richardson asked if we have any success stories from WIAC's efforts.

Mr. Corrado answered that Ellendale, Sussex County is one.

Mr. Bross chimed in; it depends where you want to look. It can also be storm water improvements in New Castle County or storm water management pond programs where we turn affected ponds into functioning ponds and relieve the burden off of civic association until they're ready to maintain the ponds. We also have examples of drinking water issues, where we provided safe drinking water. Waste water improvements are ongoing. Delaware has a huge public infrastructure (including water, waste water and storm water) that, like the rest of the country's, is aging. We can give a lot of examples, so Mr. Bross thought it might be helpful for DNREC or the WIAC to do a presentation at the next meeting. This way they could also provide Senator Richardson some examples per his request.

Senator Richardson liked the idea of a presentation. He further added he would like to know a priority list, showing what are the most urgent needs, what can we solve, and where do we need to focus our attention first.

Mr. Corrado stated to that point, going back to WIAC's work, they have set up a ranking system of the waste water and water needs. Based off the ranking system the Council created a priority list of projects. The level of available funding determines how many projects from the top of the priority list get funded. The Council just funded a big project for the City of Wilmington that will help a lot with respect to storm water and flood relief just south of the city in Southbridge. We also have funded a project for Wilmington where we took their sludge and converted it. There are things we do and have done that have been very meritorious, but, again, we need money to do that.

Senator Richardson reiterated that if there is a list, he would like to see it.

Brenna Goggin, Delaware Nature Society, noted that she is a very small part of the blame of why they were all sitting around the table that morning, so she apologized. We talked about the needs and how Delaware is special, but not in this regard: there have been over 800 municipalities, local governments, and states that have been looking at the issue of how to fund drinking water and flooding issues. They come up with a variety of funding mechanisms that we have at our disposal, so we do not have to start from scratch. Ms. Goggin also informed the other Task Force members of a prior Surface Water Management Task Force that took place under the previous administration. They also reviewed Delaware's flooding problems and water quality problem. They also came up with financial recommendations, which are online, and she suggested that all members take a look again so we don't have to start from scratch.

She knows elected officials and many of us within our organizations are attentive to public sentiment. How does the public perceive this, is the public educated about this? This is part of the charge the Delaware Nature Society has assumed over the past six months. We have been out in the public and reaching out at tabling events and presentations, as we have worked with and partnered with many people sitting around the room to educate Delaware residents about the problem. We have also hired a firm to do polling work, to determine how important is water quality to the general public, what do they feel about it and how comfortable are they about being part of the solution, whether through behavior change or financial investment. Ms. Goggin offered to do a presentation and to show how positive the polling results were, both in terms of the public assuming responsibility and their belief that our organizations and government can be part of the solution. This is almost unheard of in the other 49 states, so we have an opportunity to capitalize on that and show the public that we can in fact address this issue.

Secretary David Small, Department of Natural Resources and Environmental Control (DNREC), thanked the co-chairs for their leadership in this issue. They knew what they were getting into and they didn't shy away from it knowing it's a tough issue. He also noted that they assembled a strong collective group of individuals in the room, which all will have a voice in the issue. He then thanked (and jokingly blamed) Ms. Goggin for keeping the discussion going in Legislative Hall. He stated he was happy to provide any information the Task Force would like to see. Secretary Small then discussed the background of the Governor and past Secretary O'Mara's putting forward a vision that really wanted to accelerate the cleanup of water issues in the State. There has been an incredible amount of good work done and lots of money invested but now we are at a crossroads. DNREC has recently updated its storm water management regulations, updated its onsite waste water regulations, written more stringent permits, and now is in the process of updating regulation around poultry and manure in Delaware. The Secretary's point is he does not think we're going to regulate our way to clean water in the State, in and of itself. There are regulatory tools, and we are making the most of the tools and seeing the result of that. To Mr. Bross and Mr. Corrado's point, we are seeing an increasing number of jurisdictions, political jurisdictions, which are reluctant to make these investments without a little more help. Reaching the point where a small community, for example like Harrington, is willing to take on additional debt services is something we are seeing more resistance to. He doesn't know whether the ultimate answer is in an approach outlined in a piece of legislation, which was really based on the property tax model, but he is willing to explore any and all possibilities to try and jump start great options that were put forth to date.

Secretary Small noted he was glad to see strong representation there from the Agriculture sector. It's a huge issue in the rural areas in the State, and we have pretty difficult targets to meet with the Chesapeake Bay Watershed. We are a small part of that watershed, but a third of our State sheds to that very important water body. How are small communities like Bridgeville, Seaford, and Laurel (to Senator Richardson's point) going to figure out a way to make the investments and build the waste water treatment plants that will yield the results we are all hoping to meet? Similarly we don't have the dollars that we could spend in the conservation world with the Ag community. Conservation cost-share is a very effective tool. Cover crops and riparian buffers on a voluntary bases yield great results in terms of nutrient uptake, which should be a part of the financial conversation. Finally, to Representative Mulrooney's point, toxics are a big problem in parts of the State. We have recently found some technologies and are deploying them around the State to help clean up our toxics. A shining example is the Mirror Lake project in Dover. We have techniques out there and the technology is evolving, and it's working but it costs money. So, to that extent we should supplement the State's revolving fund, which funds storm water, waste water and drinking water infrastructure. These issues are all connected, and having a comprehensive discussion is going to be very helpful and will be a powerful message.

Patty Cannon, Delaware Economic Development Office, gave personal examples of her community and growing up in Delaware. Mr. Esposito taught Ms. Cannon that just because she had clean water did not mean her own neighbors and friends did. They did not have the same privilege. So, she wanted the group to know that she liked the idea of the field trips. Comprehensive Economic Strategy identified water as an issue in 2006, though we obviously have not fixed it yet. A few years ago Ms. Cannon was appointed to be DEDO's representative for community block grants. We would drive around some of these communities. People needed a roof on their house, but some of them wanted sewer and water upgrades and we did not have the capacity under the grant to do that. What would you say when you meet people face-to-face and see what is really needed? These are all friends, neighbors, and family. Does the average Delawarean care about the dollars? It's like after a snowstorm, and people are mad with Secretary Cohan's group because we have potholes. It's easy to forget what really matters, and if we can meet with people on the ground then we can build a compelling case. She noted that she hopes the Task Force embraces that opportunity.

Bruce Jones, American Council of Engineering Companies – Delaware Chapter, stated this is still going to be a challenge, even though there is a direct link and several studies that support job growth with water infrastructure. This link is something we need to keep in mind when deciding what is needed.

Senator Townsend responded in agreement with Mr. Jones's and Ms. Cannon's comments. With all the firepower in the room, the Task Force should try to make very clear that this is not just for job benefits but also public health benefits, economic benefits more broadly in terms of the agricultural perspective, and more efficient or effective use of resources to avoid some of the pollution issues. This can all be quantified as long as we take the time to do it. The Senator noted that Secretary Jennifer Cohan is amazing and that his next comment is not a dig at the Delaware Department of Transportation. He then mentioned the issue of potholes. Sometimes it takes 10 minutes or even an hour to explain to constituents the important difference between damaging their vehicles in a pothole versus paying a little more in gas tax. In some instances they could pay more in damages to their vehicle by hitting a pothole than they could in a whole

year with a slightly higher gas tax. He believes the public sentiment is there, as Ms. Cannon suggested, but for some reason there is a dramatic disconnect in Legislative Hall between what we need to do (and what the public is willing for us to do) as compared to what we actually do. And this disconnect was even in a non-election year, even though some of our sister states, particularly Pennsylvania, Maryland and Virginia, already had made the decision to begin those infrastructure investments. The Senator is not quite sure why the disconnect exists. He hopes with all the people in the room and all the constituents we represent and how bipartisan it all is that we can find a solution. If the report makes clear as day all of the various benefits from job, health, environmental, and economical perspectives, no one can say the info is not out there and that we did not try.

Jerry Esposito, Delaware State Chamber of Commerce, agreed with everything the Senator said. He further stated to Ms. Cannon's point that he did not want to be a naysayer, but what he predicts will happen is that we will have limited resources and we're going to prioritize things. To the Senator's points, we are going to lose Coverdale Crossroads, the poster child here. Coverdale Crossroads is an example that is easy to discuss. They are 2 miles from Bridgeville, with about 700 homes where many do not have running water or septic systems. For 30 some years we've been talking about it. What will happen is, you will get to a point where you will have limited resources to fund upgrades in sewer treatment plants and you're not going to care about the 700 homes in that part of Delaware. It is as bad as any place in the mid-Atlantic region. It's not easy to solve even with money. It's going to fall off our radar. He noted he is not trying to be negative. If you really want to care for people, environment, and health, it's not just about finding funding. It's also about maintaining funding. There's been more than one "Coverdale Crossroads" on the same list for the last 39 years he's been doing this work. It's not that we don't care, but when you have limited resources, the places that you know will maintain the work are the locations where the funding will be sent.

Dian Taylor, Delaware Business Roundtable, wanted to follow up on Mr. Esposito's comments. For hundreds of years there have been concerns for safe drinking water, and we had funding available and a mechanism that can solve this issue. Her concern in the draft legislation and the overall process is that we need clearly defined guidelines and leadership to make sure we stay focused on the issues. At this point, she doesn't feel as a Task Force they are clear on what their priorities are. She then asked the group, what do you really want: storm water, sewer, drinking water, wet lands? This is affecting our community and we need to step back and define how these dollars are managed, what is the oversight, and how do we prevent abuse by the funds going to other uses. There is a piece of draft legislation but she doesn't think anyone has seen it. Those are our concerns from the Delaware Business Roundtable: to meet objectives and not let things fall through the cracks. You can build infrastructure but you need to be able to maintain it. It's not to criticize municipalities, but in 5 years you'll be right back where you started. What happens in many cases is that municipalities have to use tax money, and it's not always reflected in the water rates. There is confusion about how they can pay for the infrastructure. At Artesian Water we pay a minimum of \$20-30 million a year. It is just not as simple as it may seem.

Senator Townsend stated he doesn't think anyone thinks it will be simple. There is draft legislation that will be circulated so everyone can see it and be on the same playing field; however he asked that we not refer to it for some time. We are in the early stages and we need to get to the broader set of issues and come to a consensus. This might happen to be a simple piece

of legislation. Or we also have other models, as Ms. Goggin mentioned. Or a model that is similar to what already exists in Delaware before. There are different ways to approach this, and he wanted to clarify the focus is on the meeting and the important issues, not on legislation yet. The draft legislation is not something that we know will pass, and that is why we are here. To Ms. Taylor's point, we have various levels of government represented on this Task Force because this is an issue that has been sort of patchwork over time, which the Senator agreed could rub the private sector and public utilities the wrong way. This is also a small example of a broader issue that we know exists in the budget heading into 2016 in terms of how Delaware's revenue streams are structured, which level of government receives the revenues, and which level of government takes on the burdens over time. All of these may be different than what other states look like.

The Senator wanted to make one other quick point in terms of equity. He doesn't know how we start off but hopes as a Task Force we will have guiding principles that we suggest now and long into the future are the basis for water policy, infrastructure policy, and investments in Delaware. The report will be able to provide the framework for legislators to use, to decide how they're going to support the effort, how much they're going to support in a variety of ways and how we strike that balance of helping a variety of Delawareans when we cannot quantify the economic benefit or when an economic benefit might seem low but the quality of life verses the moral implications are quite clear. He further noted that he does not know if we will get into the habit of taking formal votes unless it's a vote to adjourn after a long meeting (all laughed). We will need to see where we agree and where we don't so we know how to structure the final report. We might struggle with that as a Task Force, and it will be an even harder struggle for the General Assembly.

Thom May, DHSS (Delaware Health and Social Services), stated there is a good story: at least 87% of Delawareans' drinking water safely meets the federal and state guidelines. The other 13% is serviced by private wells. He noted the Task Force does have some good news in there for the State.

Roy Miller, Delaware Center for the Inland Bays, stated that in terms of framing problems and challenges, we wanted to follow up on comments made by Secretary Small and Representative Mulrooney. Downstate they have an appreciation for the toxic problems that are a huge issue in New Castle County and parts of Kent County. He would like to say that nutrients and enrichments is our problem in the Delaware Inland Bays. We all know what an economic driver the Inland Bays are for the Sussex County and noted Representative Gray appreciates that. Mr. Miller is asking that we not only focus on toxics but also on nutrients and nitrates, as we have too many nitrates in our drinking water, including his own well water that he treats. This is nonetheless important, and he hopes to keep the issue on the scope of work.

Senator Townsend stated he appreciated Mr. Miller's comments, as it was a topic that hasn't been covered so much in the first part of the meeting. Some could say the scope we are talking about is too broad. We'll see how that shakes out, and it is the reason for having several meetings. He also noted examples from prior Task Force he chaired. Not every meeting or presentation is going to light everyone's pants on fire. It's not lost on us that everyone may not be interested in every topic, but the diversity of perspectives can be very helpful in that everything we do and talk about comes together in a productive way.

Sectary Cohan felt a sense of déjà vu (referring to another Task Force she just finished with Senator Townsend), and she would like to set the expectations for the people around this table. As the Senator stated, we have a lot of firepower in this room. Without the support of a lot of you at this table we would not have been able to get increased revenues for the Transportation Trust Fund. She encourages everyone to understand their obligations, and that this needs to be a grassroots effort. If we all band together and are consistent, this is something we can get done and make a difference. The Secretary is optimistic and hopes the Final Report has no dissent in it.

Senator Townsend seeing no other hands in the air, warned Task Force members that if they don't raise their hands or otherwise show an interest in speaking, that just means they will be forced to hear more from the Senator (laughter).

Sam Lathem, Delaware State AFL-CIO, expressed that flooding sounds like something we could do, and that it is always found in the same places. He noted he is tired of hearing about Southbridge, Dobbinsville, and Route 9. It's about the political will. He then asked what happened to the water tax.

Several responded that is why we are here, to discuss possible solutions.

Mr. Lathem questioned about reviving the idea.

Several responded there may be a better solution.

Senator Townsend responded to Mr. Lathem's point that it is important to quantify from an economic perspective so that it's clear as day we should act on these issues.

Jen Adkins, Partnership for the Delaware Estuary, thanked the leaders around the table, as finding solutions to this issue takes vision. She then discussed the breadth of issues from drinking water to ground water to economic benefits. While Ms. Adkins thinks that it is very intimidating, she felt encouraged by the people she works with and the poll that Ms. Goggin mentioned, which shows that Delawareans really care about clean water. We are a water-oriented State. While it may be intimidating to think about it broadly, if we want to appeal to the entire public we need to think of Delaware as a whole, as not everyone has the same water issues but all do have water problems that need to be addressed. There are some communities that are directly impacted, as some of the examples today show, by drinking water issues, which to most of us are shocking. Then we also have communities that care about the streams and natural areas in their backyard; they swim and boat in them, and then there are those who care about the flooding issues. For better or worse it is going to be complicated, but we need to tackle it for what it is, knowing it's going to be messy. Looking at it that way we can connect with the most people and succeed.

Ms. Cannon expressed appreciation toward Ms. Adkins for her statements. She then gave an example of Beck's Pond and taking her children there to swim and how you cannot do that today. She noted that if we could do that again, that would be wonderful.

Senator Townsend noted that Beck's Pond is in his senatorial district.

Robert Baldwin, Delaware Association of Conservation Districts, wanted to applaud Ms. Adkins for her remarks. He stated that the Conservation District is the front line for addressing 90% of private property issues. We have a lot of people who need help and don't live somewhere where there is an identified source. For example, the District cannot fix a stream water issue in a backyard. He asked the Task Force not to make things so narrow that we forget about the broader issue and groups. If we make things so narrow we might miss others and make it "an everyone's" problem.

Senator Townsend agreed and noted that Mr. Baldwin's comments also related to Ms. Taylor's point that we need to craft a plan in a way that actually can be implemented. The Senator then noted that public comment will happen towards the end of the meeting after the members' open discussion.

Ms. Goggin wanted to echo Mr. Baldwin: if we do make a solution too narrow we do leave people behind. Through their clean water efforts they heard from people in the unincorporated part of Ellendale, who brought vials of their drinking water, showed them to their legislators, and said "This is what you expect us to drink?". As the unincorporated part of Ellendale they do not have the resources and income for raising taxes. The incorporated part of Ellendale gets to determine what kind of water everyone in the area has. She wants us to understand that there are parts of Delaware that we need to keep in mind so we can try to make a solution as fair as possible.

Representative Mulrooney asked if in the past 10 years there has been a task force that addressed some of the funding issues now being discussed.

Mr. Bross responded yes, and referred to the task force Ms. Goggin had mentioned. He also referenced two other earlier efforts, both of which are available online. They identified various degrees of needs. You might want to question the numbers but there was a lot of work put into both of those. Some of that data was used and some has been moved forward and used in current needs analysis.

Senator Townsend stated we can circulate the past links.

Mr. Bross felt one of the needs we have is a good delivery system that is transparent and is based on identified policies and procedures. WIAC has been in business for a long time. In recent years they have had advisory responsibility for drinking water, storm water and waste water. To the broader point, we have water quality programs and conservation programs. We have the mechanisms but we don't have the funds. He felt it would be a disservice to spend too much time on the delivery service instead of the need and the funding mechanisms because of the limited time we have. Those who do not already have an understanding should look into how WIAC works. Not to toot their own horn, but WIAC works with DNREC and Public Health and are very transparent on how they can deliver. He noted that yes, there are still needs that are unmet and they've been discussed today. Mr. Bross then asked Mr. Corrado if he had anything to add.

Mr. Corrado noted that WIAC was formed in 1995 and evolved into what it is today through trial and error, science, and common sense. This is what we should be doing; this is how we should set up our ranking system to consider safety, environment, health, and affordability. This is how we should set up our priority list and what we should fund.

Representative Mulrooney asked what are the funding mechanisms, grants, and/or loans.

Mr. Corrado responded just the SRF funds and that they are drying up.

Mr. Esposito explained that when Mr. Corrado's group was initially able to solve the Ellendale problem there were funds, but there no longer are funds now.

Mr. Corrado discussed Ellendale. He noted that when WIAC went on a field trip to Ellendale, they had a contaminated well and a community drinking well, and no residents had running water. The sewer system in the homes was a hole in the floor that trickled down to a stream. That was one of the first projects WIAC funded.

Mr. Esposito agreed.

Mr. Corrado emphasized Mr. Bross's point that the project mechanisms have been tried for years and received praise for the work done. A lot of the work was completed with financial assistance from DNREC. The point being, the mechanisms are there but funding is not. We can provide the mechanism without reinventing the wheel.

Senator Townsend indicated this should be added to the list of presentations. He reminded the members that the Meeting Minutes will be transcribed to be used to keep the public informed as well as to write the Final Report.

Mr. Bross sought clarification with regards to funding and the General Assembly's \$1.2 million allocated to match SRF federal funds, which is now the only money that is coming in from the State. We do appreciate it, especially as it almost wasn't there this year at all, at least as he understands it. If you can think back, for those of you that of been in the legislature awhile, the 21st Century Funds could be spent using good common sense and could leverage many projects. The Conservation District was able to use \$25 million to leverage \$100 million worth of spending on projects. It was an incredible program, and that is what's missing. If this could come out of internal revenue or a new source of revenue, that's the kind of money needed. There have been all kinds of water studies, and this group can vet those. It gets down to what do we want to fund and at what level and where are we going to get the revenues to fund it.

Ms. Taylor asked what would be available for grants and what would be available for loans?

Mr. Bross responded there are sufficient loan dollars out there. The Conservation District does lots of good work, but they can't borrow money if they can't repay it, which is why we need grants as an option. Most of our grant money has been coming out of a non-federal administrative account, where when we loan money we charge a small processing fee and that money goes into the non-federal administrative account. A bulk of that money is funding positions in DNREC right now, because the General Assembly decided those positions cannot be funded out of the general revenue fund. This has been a situation we have been wrestling with for about 10 years. We have only a small amount for grants to use for leverage. We just started an Acid Management program, where we are trying to stimulate our municipalities to maintain the assets, many of which we loaned the money to build. The demand is out there, which is encouraging.

Mr. Corrado referenced his statement to the co-chairs, that the legislature needs to understand that many municipalities do not take advantage of loans because they do not want to increase their debts or there are no grants to go along with it. WIAC has tried several things, including reducing interest rates and forgiving some principal. However, the municipalities and towns are not willing to apply for loans because they determine they cannot afford repayment.

Senator Townsend wanted to follow up on Mr. Corrado statement. When you say they can't afford it, do you mean the projects need to move forward but they're choosing not to restructure at the local level, for example increasing the water rates?

Mr. Corrado explained that with the choices municipalities have, the source of revenue can come out of the general funds or the municipalities have to raise their rates. A lot of these municipalities have raised rates to the point where the households cannot afford to pay any more. To Mr. Bross's point, WIAC has used affordability criteria of 1½ times the percent of the median household income. If the project was below that level, there were no grants, but if the project came in above then we would use grants for the project. That is how WIAC worked and now we don't have grants to help with the cost.

Senator Townsend clarified that his question was whether they don't want to take it out of their general fund but they also don't want to explore other possible ways of enhancing their general funds, in a way similar to the General Assembly kicking the can down the road hoping for a magical solution.

Mr. Corrado agreed and stated this is why things don't get done.

Hal Godwin, Sussex County Administrator, gave an example of a town, Ellendale, who qualified for a grant but did not want to pay a water bill. It would have cost the town nothing to have the drinking water installed, but they voted against it because they did not want the monthly bill. Whether they could afford it or not, they believed they couldn't.

Mr. Esposito clarified they preferred not to pay and instead to suffer the consequences of a bad well. Also, the relevant district included other areas outside of the town, which the town was not okay with.

Mr. Godwin noted the people outside of the town who supported the town were heartbroken on the vote, by which the townspeople decided not to have centralized drinking system. Several years ago the Sussex County government decided to go in and collect all the waste water from Ellendale and piped it to Georgetown. In his experience, towns like this need to be educated on what they can do to solve their own problems with assistance, instead of just deciding they don't want any action. If they were educated on the full pros and cons, they would think \$30 per quarter would be worth the benefits, including having their children be healthier.

Senator Townsend noted that in terms of an education component to policymaking, any community can be educated in the entire state. We as Delawareans are really good at taking that approach in our small state.

Ms. Taylor wanted to elaborate on the Ellendale example, which is something we use in other contexts and are concerned about. There are many communities that need grants. There are also many communities that have the ability to do the right thing. It's not fair for one person to pay

\$20 a month and someone else pay \$100 dollars a month simply because we subsidize the first person. How do we get community members to educate themselves? We need to educate everyone so that there is a fair balance and not just handouts. If we don't have both components then we are not really solving the problem. It's heartbreaking and frustrating when communities want to spend their money on something else other than basic drinking water.

Senator Townsend noted again this shows how this mentality manifests in multiple ways.

Mr. Lathem remarked "the definition of Delawareans has changed. You have old Delawareans and new Delawareans and they are influencing each other."

Senator Townsend noted that Mr. Lathem always says things of such import in so few words, which is a skill Senator Townsend should learn.

Mr. Godwin stated that another component would be in a community where there are a large percentage of renters. If they pay their rent, that's all they're paying. The owners are not always capable or are far away or have some economic problems as well, which creates an economically depressed situation.

Mr. Esposito wanted to follow off of Mr. Godwin's comment, and noted that of Sussex County's 20 or so sewer districts, Ellendale is the one with the highest percent of unpaid bills. When you have laws like Delaware, you cannot shut off sewer access. But you can shut off water, and when we go to shut off water, people suddenly find a way to pay their bills. One possible solution is when you comingle the bills between water and sewer you can try to indirectly shut off one and then the other.

Mr. Godwin stated they were told they cannot do that.

Mr. Esposito responded that if you service both sewer and water, you need to get approval from the Public Service Commissioner, which they have not done yet. When the customer payments come in you apply them to the sewer bill first and then apply the rest to the water, which can allow you to shut off the water if there is underpayment.

Mr. Godwin believed they had discussed that and were told legally they could not do that.

Ms. Adkins stated she wanted to pick up on the topic of education, as it is important. There are two ways to do this. One is to do things for people and the second is to educate people so they can do things for themselves. As a non-profit, it can be hard to acquire resources.

Senator Townsend asked for more detail about what Ms. Adkins meant by "education" and what creates the needs for resources, in terms of operations?

Ms. Adkins responded that they do a lot of educational programs on non-point source pollution, working with the public at festivals and events, as well as classrooms, contests, and education workshops to introduce people to new ideas. We don't always have a lot of resources to do all of these. The funders that we have want to see environmental improvements on the ground and water quality on the ground, which is what we all really want. We need the ability to put resources into education programs if we feel they are important for solutions. She also noted that they know they are not the only ones here at the table doing educational programs.

Ms. Cannon gave her experience on educating from when she was on the AIDS education committee. She then gave an example of how they educated men and women to protect themselves and the ones they love. She believes the water education campaign needs to start with a focus on mothers and educating them on the health of their children.

Holly Porter, Department of Agriculture, noted on education outreach that marketing is important and should be unified, with the same message and same points from all the different organizations in the room. She then thanked Secretary Small for his comments and thanked the co-chairs for including her Department, as water quality is really important to their farmers. Ms. Porter noted she was new and there is a lot she is learning. She stated she was happy we had farmers at the table, as farmers are one of our number one industries here in Delaware. We talk about economic benefits through the State and we need to recognize there are a lot of things our farmers are doing that are very beneficial broadly but not always economically beneficial to the individual farm at that time. This includes some of the conservation practices and the cover crops, because farmers recognize the importance and they want to be here for years and years to pass on to future generations.

Senator Townsend appreciated Ms. Porter's comments and noted this also goes back to quantifying the economic impact of water efforts. In terms of agriculture and Delaware's economy, he noted he was surprised at how people often do not know how critical agriculture is. He hopes farmers' voices are not silent in the Task Force process.

Thomas Unruh, Delaware Farm Bureau, wanted to add on to Ms. Porter's comments and informed the group that he is a farmer. He represents a large land mass, as he owns 700 acres in New Castle County, and noted that his family members are also farmers in Kent County and Cecil County, Maryland. All practice good conservation now, thanks to the Department of Agriculture. They have nutrient management, water ways, and cover crops, but the only problem he sees is that Maryland has a higher incentive to plant cover crops. He thinks they do this by adding extra money to the taxes, which may be something Delaware could look at. He noted that the farmers are going to ask "if you're going to tax us, what are we going to get back?". For example: Maryland provides incentives for nutrient management, moving the manure from south to north in areas that are low in phosphorus. He pays \$10,000 a year in taxes. That's pretty high. He doesn't even have water on his land, and he'd rather drink his own water than water you have to buy (everyone laughed). All farmers want water protection. They're not all dumb farmers; he noted his children went to well-known colleges. Blackbird has some of the best water in Delaware. Why should he pay for something that he's growing hay on? No one is living there, yet he pays taxes on it. People get taxed for houses on their land, but what about people that have all that blacktop? Farmers don't believe in blacktop.

Senator Townsend noted Mr. Unruh was looking directly at Secretary Cohan.

Secretary Cohan responded that's because we tax everything (everyone laughed).

Senator Townsend noted that he is going to ask Mr. Unruh to weigh in frequently. There are several issues that Mr. Unruh brought up that should relate to the topic of water from both a policy and political perspective.

Mr. Unruh said it's all about politics. He's from New Castle and Mr. Unruh noted that he is going to be the one that is going to have to go to Kent and Sussex to educate the other farmers.

Senator Townsend expressed a hope that the Task Force members will see for ourselves when we have our Kent and Sussex meetings, depending on how the Task Force goes and how lively the group is.

Thomas Unruh noted he saw the rankings and if you're going to raise taxes you're going to have to include everyone in order to get everybody to give back.

Senator Townsend stated he understood.

Martha Narvaez, attending on behalf of member Gerald Kaufman: University of Delaware's Water Resources Agency, noted that the Water Resources Agency has worked over several years on collecting an abundant amount of water data and conducted economic analyses. Ms. Narvaez then discussed the project University of Delaware is doing with the William Penn Foundation on different funding opportunities in the Christina Basin, which stretches from Pennsylvania to Delaware. She further noted that education is key and that getting funding is difficult. She shared an example of a program in the city she is working on with urban youth and environmental organizations. She stated many groups, including Ms. Adkins' group, have volunteered their time. Yesterday they were out in the community picking up trash and showing the community that people actually care about their neighborhood.

Senator Townsend said that, in regards to her offer of data, between the Council, DNREC, and others, some issues are unique and others overlap, so we will try our best to structure presentations to make sure they're efficient.

Michael Riemann, Delaware Homebuilders Association, noted he is also an engineer. He thinks as we progress we need to be clear on identifying the causes of ground water problems, toxic problems, and the others. As Secretary Small stated we are subject to regulations, including storm water regulations and new septic regulations, just to state a few. New developments are complying with new regulations to help reduce their impact, so he wants to be clear on what causes exist. A lot of the problem we have now are pre-Ground Water Management, pre-DNREC regulations, which we should bear in mind as we identify potential solutions.

Senator Townsend questioned if Mr. Riemann was speaking in terms of flooding issues?

Mr. Riemann responded yes but also in terms of runoff and water quality.

Senator Townsend stated he did not want to stir up controversy but wanted Secretary Small's thoughts on the regulatory issue.

Secretary Small stated he believed Mr. Riemann was correct. Delaware has a legacy of practices, which were uninformed in the past. From a regulatory standpoint DNREC is working very hard to manage new systems and practices. There is always room for improvement and we'll experience catch-up due to changes in technology. He also noted he is not surprised by Mr. Unruh's statements in regards to Maryland. Marylanders value water and put a price on it. They can pay more per acre than Delaware can for conservation cost-share practices. If we can find additional incentives we can go a long way in helping Delaware to make improvements. Places

like Bridgeville and Seaford have never had to deal with having storm-water permits required by their towns, which is a development on the horizon. How will they do that? They will need help, education, technology, and funding. Secretary Small asked if he had answered Senator Townsend's question or completely sidestepped it (all laughed).

Senator Townsend responded that Secretary Small had answered the question in the first two sentences of his response, but the rest was helpful, too.

Mr. Unruh stated Delaware would be talking about having a flush tax.

Senator Townsend noted that the term "flush tax" shows the power of marketing.

William Lucks, Delaware Association of Realtors, discussed agents and water testing along with private property rights. Residential agents tell him this is a major problem because the lenders tell them that the well water is clean, in the sense that it does not have any damaging chemicals in it, which it should be. Delaware Association of Realtors is all about private property rights. He noted he spent three years on the Sea Level Rise Committee, and as we move forward with legislation he feels we should not ignore that topic. He feels sea level rise won't happen in his lifetime but it will happen in time. He also noted he had a thought on a source of funding: using a tax-ditch mentality approach. Mr. Luck wanted the group to know he was happy how the conversations were going.

Senator Townsend expressed his thanks to Mr. Lucks.

Mr. Bross said we need to be careful not going down a slippery slope by saying we didn't contribute to these factors. The fact that we live in a location itself affects our water and our wellbeing. We need to be careful; everyone has a septic system or a sewer system, so we are all in this together and all need to pay something and contribute. An example could be as a Storm Water Utility, like the cities of Wilmington and Newark. New Castle looked into it and is paying for a study now. Those numbers were in the range of about \$40 dollars per residential home. Water is important to all of us. We swim, drink, bathe, and cook with it. The whole quality of our lives depends on this and we will all have to pay our fair share.

Paul Morrill, Committee of 100, agreed with Mr. Bross that this touches our lives in so many different ways. He agreed with other members as well about our State having problems like flooding from New Castle to Sussex, but if we focus on water quality problems that are just specific to one area then politically we're not going to get anywhere. If we can combine the two with cost and benefit and bring in the projects that are the right ones to do, he feels we can sort through those issues and make it easier for the General Assembly to support a revenue source.

Senator Townsend noted that is music to his ears (chuckles from the group).

Representative Gray stated we need to get communities to buy into this. He's been in the House for three years, and he worked with the Millville Fire Hall on an issue when he just started. At the time he thought "wow, we can really get somewhere," but now he realizes very little will happen without funding. Now we are trying to develop an educational plan so that we can spread the costs of clean water across the entire Delaware population, making the public good of clean water cheaper for all.

Public Comment

Senator Townsend opened the floor to public comment.

Richard Jones stated he was the State Director for The Nature Conservancy. TNC is the world's largest conversation organization, operating in all 50 states and 35 countries. Securing fresh water is a major priority for them. TNC has been working locally with the University of Delaware under a grant with the William Penn Foundation on a water fund. It covers the Brandywine and Christina Rivers but it's watershed based, which is a financing mechanism. The concept is to find out who are the stakeholders, including water purveyors, storm water regulators, and municipalities. The point is to pull all financial resources available and then look for outside funding. This is an emerging field called Impact Investing, which is a form of private/public partnership. SRF is one of the federal funds to use. This is an emerging model across borders, and a lot of people who are here on the Task Force were part of this effort. Mr. Jones noted The Nature Conservancy would be happy to come in and discuss this with the Task Force. He then congratulated the co-chairs on pulling this group together. He noted we had the right people in the room.

Senator Townsend expressed appreciation for his input and the private/public partnership. He noted how the public-private partnership can build local flexibility that achieves the objective of clean water, and he asked Mr. Jones to share his information with Ms. Zdeb.

Mr. Morrill noted his support for Mr. Jones's comments, which referred to the one organizational model we are trying to protect, so it's something to look into.

Scarlett Hutton, public, stated everyone is talking about education and how important it is. She noted that awareness is a huge thing that needs to happen. She asked if there is going to be marketing or people on the Task Force that would be working on education and marketing on this campaign. She doesn't think that people in Delaware are aware of all the issues going on.

Senator Townsend responded it is something that we need to talk about as a topic as the Task Force moves forward. Outreach may ultimately be up to each individual organizational, but we can develop a unified approach. He then asked if any Task Force members wanted to answer Ms. Hutton's question from their agencies' perspectives.

Amy Parker, Public/Alliance for Bay Communities, explained that water conservation must happen and that we all need to be bold. In Slaughter Beach twice this year they failed the swim water test. She discussed other issues in lower Delaware. She owns property right outside Millsboro's town limits, and the water there is contaminated by nitrates. As a born and raised Delawarean, she applauds and supports the Task Force initiative. Her town has grown and has volunteers like her. In the last year the town used grant money and did its own study. She further noted that, in response to a comment made by a Task Force member about looking back to see how we got here, she feels there's enough to work on going forward without going backwards.

Terry Deputy, Public/DNREC, noted he works with DNREC, that they support this effort, and he is encouraged by the conversations so far.

Ms. Adkins remarked that we have talked about education in a big way moving forward, but what about an outreach or marketing campaign to increase the public's awareness about the Task Force itself?

Senator Townsend stated he knew Ms. Goggin would not let him get away without her making one more comment (group chuckles).

Ms. Goggin noted that the Senator had let Ms. Adkins talk (everyone laughed). She then informed the co-chairs that the Clean Water Alliance is doing an educational outreach campaign and they would be happy to discuss what they have done. She noted to the members of the Task Force that they are willing to blog and live-tweet on what the Task Force is doing so as to promote the public part of the process.

Senator Townsend responded that the CWA is a great campaign, and they even gave him a t-shirt (which he has worn publicly several times).

Ms. Goggin affirmed and noted she would bring water bottles next time, for everyone.

Ms. Adkins asked about the possibility of field trips.

Senator Townsend responded that we need to make sure we are in compliance with open-government laws. He will get back to the Task Force soon, as they also need to consider the logistics. If field trips happen, the Senator would love to let the public know. The Senator further noted he was surprised that the media was not here.

Mr. Lathem remarked that maybe clean water is not interesting (chuckles).

Senator Townsend stated "A flush tax?? Not at all!" (all laughed).

Ms. Cannon wanted to applaud everything that the co-chairs are doing. She feels that the people who feel it's not worth paying for are the people that aren't going to be reading blogs or possibly not even have internet. The Task Force needs to find a way to do real grassroots outreach to raise the awareness of this issue.

Senator Townsend wanted to make one additional comment in response to Ms. Cannon: that there are plenty of people who do have a computer and still are going to take the approach that they still do not need to pay for clean water. It's a tough issue. We will be informing legislative colleagues of our process, not only just the ones on the Task Force. He noted that he likes to include Task Force members' jokes in the minutes. We will transcribe the minutes, so please be candid. If we're not candid then we will not get to the real issues and solutions.

The Task Force meeting was adjourned at 12:07 pm.